

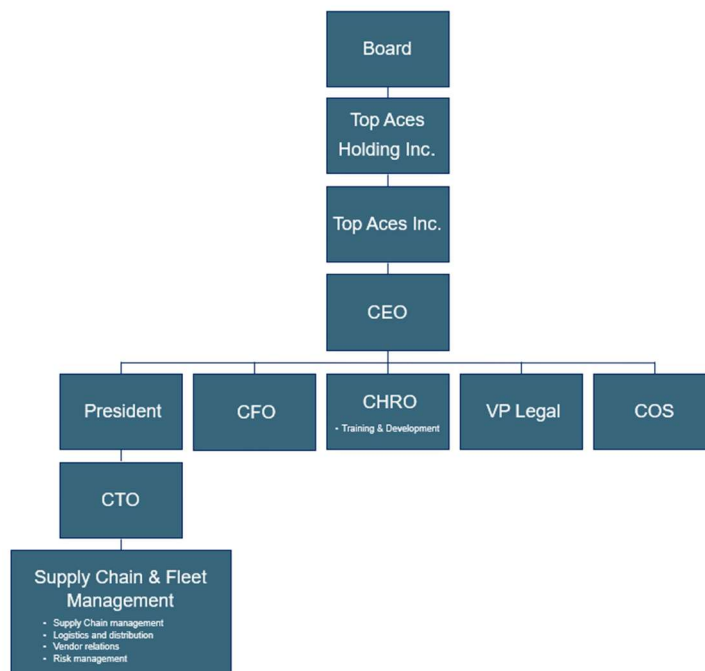


2023 Report – Fighting Against Forced and Child Labor in Supply Chains



This report, prepared by Top Aces Inc. (hereto “Top Aces” or the “Corporation”) is a joint report for Top Aces Holding Inc. and Top Aces Inc. which covers the financial year ending December 31, 2023 (referred to as the “Reporting Period”). It outlines the activities and compliance measures taken during the reporting period. This report represents the first submission by the Corporation in accordance with Canada’s recently enacted Fighting Against Forced Labour and Child Labour in Supply Chains Act (referred to as the “Act”).

As a leader in global defense training, guided by our Purpose, Mission, Vision, and Values, Top Aces is steadfast in upholding fundamental human rights and promoting ethical practices established under ILO and OECD guidelines and stand firmly against the use of child or forced labor in our supply chain. Our commitment is entrenched in our Code of Conduct, governing every aspect of our operations and partnerships. Top Aces has developed an Environmental, Social and Governance (ESG) Policy which is available to view on our website.



Top Aces is a privately owned Canadian corporation headquartered in Montreal, Quebec, Canada, who during the 2023 fiscal period had employed over 533 employees. The oversight of Top Aces is entrusted to the Board of Directors of its holding company, Top Aces Holding Inc. This board bears the responsibility of guiding the Corporation's operations and ensuring compliance to all legal requirements and internal policies.

As a leader in global defense training, Top Aces provides adversary air (ADAIR) and joint terminal attack controller (JTAC) technology and training to armed forces across North America and Europe. The mission-critical training offered by Top Aces enhances the operational readiness of combat forces, imparting real-world experience while generating substantial cost efficiencies and prolonging the lifespan of military aircraft fleets.

Top Aces' overarching purpose is to maximize military readiness, preparing frontline units for deployed operations. Our focus lies not merely in increasing training volume, but in enhancing training effectiveness. The Corporation's primary operating bases are currently in Canada and Germany, deploying with our customers as they require. Top Aces operates wholly owned ex-military aircraft to support our government customers with their training requirements. Our flight operations and maintenance activities are regulated by Transport Canada and approved by country specific military organizations.

Top Aces is committed to advancing its ESG journey, striving to bolster environmental sustainability and integrate social responsibility and robust corporate governance throughout its operations. To achieve this goal, we established a comprehensive framework for further enhancing our sustainability efforts. This involves a continuous drive to improve our environmental practices and performance, while ensuring strict compliance with applicable regulatory requirements.

We foster an engaging and inclusive workplace culture that prioritizes safety, innovation, and community impact. Moreover, we uphold the highest standards of ethical business conduct, corporate governance, and regulatory compliance, thus nurturing a culture of integrity and accountability.

Top Aces employs a risk management-based approach to its operations and partnerships. As a civilian air operator providing defense services, it is bound to various programs and regulations mandating consistent reporting and rigorous audits to ensure compliance. These will encompass diverse standards including civilian and defense airworthiness, defense article export control compliance, international quality benchmarks, anti-corruption measures, as well as bribery and sanctions monitoring.

Top Aces' supply chains intersect with those supporting both modern military and civil aviation sectors, subject to stringent regulations (CAR/FAA/EASA/ISO/AS). Located within G7 countries and the EU, the bulk of our supply chain undergoes thorough approval processes aligned with the specific product or service offered. Following approval, their performance undergoes regular assessment and evaluation. Instances of defects or non-compliance are meticulously documented. If necessary, a formal Request for Supplier Action (RFSA) is issued to address the deviation, outlining both mitigation measures and long-term corrective actions. Suppliers exhibiting persistent non-performance or failure to meet our standards are subsequently deactivated.

Top Aces, amidst its recent expansion, is actively working on standardizing its global procurement and sourcing policies, encompassing contracts and supplier requirements. This initiative will continually evolve to integrate ESG standards, including risk assessments and safeguards against Child and Forced Labor.

All Top Aces employees and all Top Aces contractors must undergo mandatory electronic training covering corporate governance and relevant policies. Where required, this training is recurrent and conducted on an annual basis. Our training is administered and documented within the Top Aces Learning Management System (LMS). The content of the required training is constantly evolving to embed ESG principles and uphold fundamental human rights.

Top Aces employs an open reporting system accessible to all employees, serving as a platform to communicate any issues deemed significant for awareness. These reports undergo regular scrutiny in alignment with our Safety, Quality, Global Code of Conduct, and Core Values.

We remain steadfast in prioritizing our ESG, Global Conduct standards, and Open Reporting Systems across all operational levels, including our supply chain. Our enhanced supplier governance and monitoring processes will continue to evolve, with a historical track record devoid of non-compliance with the Act. We pledge to diligently investigate any discrepancies and implement necessary corrective actions or viable remediation measures.

Top Aces is an exemplary contributor to our communities, embodying our core Purpose, Vision, Mission, and Values. Our community investment policy outlines our pillars of impact and guides initiatives that align with local economic and social priorities. We aim to provide support through dedicated time, expertise, and financial resources.

At Top Aces, we stand firmly behind our ESG principles, continuously assessing our practices for impact and efficacy. We remain agile, adapting our policies to meet evolving legislative and industry standards, all aimed at ensuring the highest standards across our business and supply chains.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Paul Bouchard

(I have the authority to bind Top Aces Inc. and Top Aces Holding Inc.)

Paul Bouchard

Chief Executive Officer (Top Aces Inc.)

President (Top Aces Holding Inc.)

Date: May 29, 2024